

(4) \$40,000, for assistance received by a licensed clinical social worker or a licensed professional counselor who is not described by Subdivision (2).

(c) The total amount of repayment assistance provided under this subchapter may not exceed the sum of:

(1) the total amount of gifts and grants accepted by the board for the repayment assistance;

(2) legislative appropriations for the repayment assistance; and

(3) other funds available to the board for the repayment assistance.

(d) The board may adjust in an equitable manner the distribution amounts that mental health professionals would otherwise receive under Subsection (a) for a year as necessary to comply with Subsection (c).

Sec. 61.608. **RULES.** (a) The board shall adopt rules necessary to administer this subchapter.

(b) The board shall distribute to each institution of higher education or private or independent institution of higher education and to any appropriate state agency and professional association copies of the rules adopted under this section and other pertinent information relating to this subchapter.

Sec. 61.609. **SOLICITATION AND ACCEPTANCE OF FUNDS.** The board may solicit and accept gifts and grants from any public or private source for the purposes of this subchapter.

SECTION 2. The Texas Higher Education Coordinating Board shall adopt the rules for repayment assistance under Subchapter K, Chapter 61, Education Code, as added by this Act, not later than December 1, 2015.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

Passed the Senate on April 27, 2015: Yeas 23, Nays 7; the Senate concurred in House amendment on May 28, 2015: Yeas 25, Nays 6; passed the House, with amendment, on May 22, 2015: Yeas 81, Nays 59, one present not voting.

Approved June 3, 2015.

Effective September 1, 2015.

CREATION OF THE GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE AND TO THE ABOLISHMENT OF THE TEXAS EMERGING TECHNOLOGY FUND

CHAPTER 323

S.B. No. 632

AN ACT

relating to the creation of the governor's university research initiative and to the abolishment of the Texas emerging technology fund.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 62, Education Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE

Sec. 62.161. **DEFINITIONS.** In this subchapter:

(1) "Distinguished researcher" means a researcher who is:

(A) a Nobel laureate; or

(B) a member of the National Academy of Sciences, the National Academy of Engineering, or the National Academy of Medicine, formerly known as the Institute of Medicine.

(2) "Eligible institution" means a general academic teaching institution or medical and dental unit.

(3) "Fund" means the governor's university research initiative fund established under this subchapter.

(4) "General academic teaching institution" has the meaning assigned by Section 61.003.

(5) "Medical and dental unit" has the meaning assigned by Section 61.003.

(6) "Office" means the Texas Economic Development and Tourism Office within the office of the governor.

(7) "Private or independent institution of higher education" has the meaning assigned by Section 61.003.

Sec. 62.162. **ADMINISTRATION OF INITIATIVE.** (a) The governor's university research initiative is administered by the Texas Economic Development and Tourism Office within the office of the governor.

(b) The office may adopt any rules the office considers necessary to administer this subchapter.

Sec. 62.163. **MATCHING GRANTS TO RECRUIT DISTINGUISHED RESEARCHERS.** (a) From the governor's university research initiative fund, the office shall award matching grants to assist eligible institutions in recruiting distinguished researchers.

(b) An eligible institution may apply to the office for a matching grant from the fund. If the office approves a grant application, the office shall award to the applicant institution a grant amount equal to the amount committed by the institution for the recruitment of a distinguished researcher.

(c) A grant application must identify the source and amount of the eligible institution's matching funds and must demonstrate that the proposed use of the grant has the support of the institution's president and of the institution's governing board, the chair of the institution's governing board, or the chancellor of the university system, if the institution is a component of a university system. An applicant eligible institution may commit for matching purposes any funds of the institution available for that purpose other than appropriated general revenue.

(d) A matching grant may not be used by an eligible institution to recruit a distinguished researcher from:

(1) another eligible institution; or

(2) a private or independent institution of higher education.

Sec. 62.164. **GRANT AWARD CRITERIA; PRIORITIES.** (a) In awarding grants, the office shall give priority to grant proposals that involve the recruitment of distinguished researchers in the fields of science, technology, engineering, mathematics, and medicine. With respect to proposals involving those fields, the office shall give priority to proposals that demonstrate a reasonable likelihood of contributing substantially to this state's national and global economic competitiveness.

(b) A grant proposal should identify a specific distinguished researcher being recruited.

Sec. 62.165. **GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE FUND.** (a) The governor's university research initiative fund is a dedicated account in the general revenue fund.

(b) The fund consists of:

- (1) amounts appropriated or otherwise allocated or transferred by law to the fund;
- (2) money deposited to the fund under Section 62.166 of this subchapter or under Section 490.101(b-1), Government Code; and
- (3) gifts, grants, and other donations received for the fund.

(c) The fund may be used by the office only for the purposes of this subchapter, including for necessary expenses incurred in the administration of the fund and this subchapter.

Sec. 62.166. WINDING UP OF CONTRACTS AND AWARDS IN CONNECTION WITH TEXAS EMERGING TECHNOLOGY FUND. (a) The governor's university research initiative is the successor to the Texas emerging technology fund. Awards from the Texas emerging technology fund shall be wound up in accordance with this section and Section 490.104, Government Code, and contracts governing awards from that fund shall be wound up in accordance with this section.

(b) If a contract governing an award from the Texas emerging technology fund provides for the distribution of royalties, revenue, or other financial benefits to the state, including royalties, revenue, or other financial benefits realized from the commercialization of intellectual or real property developed from an award from the fund, those royalties, revenues, or other financial benefits shall continue to be distributed in accordance with the terms of the contract unless the award recipient and the governor agree otherwise. Unless otherwise required by law, royalties, revenue, or other financial benefits accruing to the state under a contract described by this subsection, including any money returned or repaid to the state by an award recipient, shall be credited to the governor's university research initiative fund.

(c) If money awarded from the Texas emerging technology fund is encumbered by a contract executed before September 1, 2015, but has not been distributed before that date, the money shall be distributed from the governor's university research initiative fund in accordance with the terms of the contract, unless the award recipient and the governor agree otherwise.

(d) Except for an obligation regarding the distribution of royalties, revenue, or other financial benefits to the state as provided by Subsection (b), if money awarded from the Texas emerging technology fund under a contract executed before September 1, 2015, has been fully distributed and the entity that received the award has fully performed all specific actions under the terms of the contract governing the award, the entity is considered to have fully satisfied the entity's obligations under the contract. The entity shall file with the office a final report showing the purposes for which the award money has been spent and, if award money remains unspent, the purposes for which the recipient will spend the remaining money.

Sec. 62.167. CONFIDENTIALITY OF INFORMATION CONCERNING AWARDS FROM TEXAS EMERGING TECHNOLOGY FUND. (a) Except as provided by Subsection (b), information collected under former provisions of Chapter 490, Government Code, concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity that was considered for or received an award from the Texas emerging technology fund is confidential unless the individual or entity consents to disclosure of the information.

(b) The following information collected in connection with the Texas emerging technology fund is public information and may be disclosed under Chapter 552, Government Code:

- (1) the name and address of an individual or entity that received an award from that fund;
- (2) the amount of funding received by an award recipient;
- (3) a brief description of the project funded under former provisions of Chapter 490, Government Code;
- (4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that received an award from that fund; and
- (5) any other information with the consent of:

- (A) the governor;
- (B) the lieutenant governor;
- (C) the speaker of the house of representatives; and
- (D) the individual or entity that received an award from that fund, if the information relates to that individual or entity.

Sec. 62.168. REPORTING REQUIREMENT. (a) Before the beginning of each regular session of the legislature the governor shall submit to the lieutenant governor, the speaker of the house of representatives, and the standing committees of each house of the legislature with primary jurisdiction over economic development and higher education matters and post on the office of the governor's Internet website a report on matching grants made to eligible institutions from the fund that states:

- (1) the total amount of matching funds granted by the office;
- (2) the total amount of matching funds granted to each recipient institution;
- (3) a brief description of each distinguished researcher recruited by each recipient institution, including any amount of external research funding that followed the distinguished researcher to the institution;
- (4) a brief description of the expenditures made from the matching grant funds for each distinguished researcher; and
- (5) when available, a brief description of each distinguished researcher's contribution to the state's economic competitiveness, including:
 - (A) any patents issued to the distinguished researcher after accepting employment by the recipient institution; and
 - (B) any external research funding, public or private, obtained by the distinguished researcher after accepting employment by the recipient institution.

(a-1) The report may not include information that is made confidential by law.

(b) The governor may require an eligible institution that receives a matching grant under this subchapter to submit, on a form the governor provides, information required to complete the report.

SECTION 2. Subchapter C, Chapter 490, Government Code, is amended by adding Section 490.104 to read as follows:

Sec. 490.104. MANAGEMENT OF INVESTMENT PORTFOLIO; WINDING UP AND FINAL LIQUIDATION. (a) In this section, "state's emerging technology investment portfolio" means:

- (1) the equity positions in the form of stock or other security the governor took, on behalf of the state, in companies that received awards under the Texas emerging technology fund; and
- (2) any other investments made by the governor, on behalf of the state, and associated assets in connection with an award made under the Texas emerging technology fund.

(b) The Texas Treasury Safekeeping Trust Company shall manage and wind up the state's emerging technology investment portfolio. The trust company shall wind up the portfolio in a manner that, to the extent feasible, provides for the maximum return on the state's investment. In managing those investments and associated assets through procedures and subject to restrictions that the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment or associated assets that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing pertinent to each investment or associated asset. The trust company may recover its reasonable and necessary costs incurred in the management of the portfolio from the earnings on the investments and associated assets in the portfolio.

(c) Any realized proceeds or other earnings from the sale of stock or other investments

or associated assets in the state's emerging technology investment portfolio, less the amount permitted to be retained for payment of its costs for managing the portfolio as provided by Subsection (b), shall be remitted by the Texas Treasury Safekeeping Trust Company to the comptroller for deposit in the general revenue fund.

(d) The Texas Treasury Safekeeping Trust Company has any power necessary to accomplish the purposes of this section.

(e) On final liquidation of the state's emerging technology investment portfolio, the Texas Treasury Safekeeping Trust Company shall promptly notify the comptroller of that occurrence. As soon as practicable after receiving that notice, the comptroller shall verify that the final liquidation has been completed and, if the comptroller so verifies, shall certify to the governor that the final liquidation of the portfolio has been completed. The governor shall post notice of the certification on the office of the governor's Internet website.

(f) Any balance remaining in the Texas emerging technology fund on final liquidation by the Texas Treasury Safekeeping Trust Company shall be remitted to the comptroller for deposit in the general revenue fund.

SECTION 3. Section 490.101, Government Code, is amended by adding Subsections (b-1) and (b-2) to read as follows:

(b-1) Notwithstanding Subsection (b), benefits realized from a project undertaken with money from the fund, as provided by a contract entered into under former Section 490.103 before September 1, 2015, shall be deposited to the credit of the governor's university research initiative fund established under Subchapter H, Chapter 62, Education Code.

(b-2) The fund may be used only for the purposes described by Section 490.104.

SECTION 4. (a) The following laws are repealed:

- (1) Sections 490.101(c), (d), (e), (f), (f-1), (g), (h), and (i), Government Code;
- (2) Sections 490.102 and 490.103, Government Code; and
- (3) Subchapters A, B, D, E, F, and G, Chapter 490, Government Code.

(b) The Texas emerging technology fund is continued solely for the purposes of winding up the contracts governing awards from that fund and the state's portfolio of equity positions and other investments and associated assets in connection with awards from that fund in accordance with Section 490.104, Government Code, as added by this Act. The Texas emerging technology fund is abolished and Sections 490.101(a), (b), (b-1), and (b-2), Government Code, are repealed when the comptroller certifies to the governor as provided by Section 490.104, Government Code, as added by this Act, that the final liquidation of the state's portfolio of equity positions and other investments and associated assets by the Texas Treasury Safekeeping Trust Company has been completed. On the effective date of this Act, any unencumbered fund balance in the Texas emerging technology fund may be appropriated in accordance with Subsection (e) of this section.

(c) The abolishment by this Act of the Texas emerging technology fund and the repeal of provisions of Chapter 490, Government Code, relating to that fund do not affect the validity of an agreement between the governor and the recipient of an award awarded under Chapter 490, or a person to be awarded money under that chapter, that is executed before September 1, 2015. Those agreements shall be performed as provided by Section 62.166, Education Code, as added by this Act.

(d) A regional center of innovation and commercialization established under Section 490.152, Government Code, is abolished on the effective date of this Act. Each center shall transfer to the office of the governor a copy of any meeting minutes required to be retained under Section 490.1521, Government Code, as that section existed immediately before that section's repeal by this Act, and the office shall retain the minutes for the period prescribed by that section.

(e) Any unencumbered balance of the Texas emerging technology fund may be appropriated only to one or more of the following:

- (1) the Texas Research Incentive Program (TRIP) under Subchapter F, Chapter 62, Education Code;

(2) the Texas research university fund, subject to Subsection (f) of this section;

(3) the governor's university research initiative fund established under Subchapter H, Chapter 62, Education Code, as added by this Act;

(4) the Texas Enterprise Fund established under Section 481.078, Government Code; and

(5) the comptroller for the purposes of expenses incurred in managing the state's portfolio of equity positions and other investments in connection with awards from the Texas emerging technology fund in accordance with Section 490.104, Government Code, as added by this Act.

(f) The authority of the Texas research university fund to receive the appropriation described by Subsection (e) of this section is contingent on passage and enactment of H.B. 1000, or similar legislation relating to state support for general academic teaching institutions in this state by the 84th Legislature, Regular Session, 2015, that renames the existing Texas competitive knowledge fund and changes the purposes for which the fund can be used.

(f-1) On the effective date of this Act, the comptroller of public accounts shall transfer the encumbered balance of the Texas emerging technology fund to the credit of the governor's university research initiative fund established under Subchapter H, Chapter 62, Education Code, as added by this Act, for the purposes of Section 62.166, Education Code, as added by this Act.

(g) Except as provided by this Act, on September 1, 2015, the following powers, duties, functions, and activities performed by the office of the governor immediately before that date are transferred to the Texas Treasury Safekeeping Trust Company:

(1) all powers, duties, functions, and activities related to equity positions in the form of stock or other security the governor has taken, on behalf of the state, in companies that received awards under the Texas emerging technology fund before September 1, 2015; and

(2) all powers, duties, functions, and activities related to other investments made by the governor, on behalf of the state, and associated assets in connection with an award made under the Texas emerging technology fund before September 1, 2015.

(h) Notwithstanding the repeal by this Act of provisions of Chapter 490, Government Code, those provisions of Chapter 490 are continued in effect for the limited purpose of winding up contracts governing awards from the Texas emerging technology fund in accordance with Section 62.166, Education Code, as added by this Act, and of winding up the state's portfolio of equity positions and other investments and associated assets in connection with awards from that fund in accordance with Section 490.104, Government Code, as added by this Act.

SECTION 5. This Act takes effect September 1, 2015.

Passed the Senate on April 29, 2015: Yeas 30, Nays 1; May 28, 2015, Senate refused to concur in House amendment and requested appointment of Conference Committee; May 29, 2015, House granted request of the Senate; May 31, 2015, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 1; passed the House, with amendment, on May 26, 2015: Yeas 137, Nays 4, two present not voting; May 29, 2015, House granted request of the Senate for appointment of Conference Committee; May 31, 2015, House adopted Conference Committee Report by the following vote: Yeas 138, Nays 5, two present not voting.

Approved June 3, 2015.

Effective September 1, 2015.